OF SUGAR	CITY COLINGIA				
E STATE OF THE STA	CITY COUNCIL				
TEXAS	AGENDA REQUEST				
AGENDA OF:	04/15/08	AGENDA REQUEST NO:	VI B		
INITIATED BY:	RUTH LOHMER, AICP SENIOR PLANNER RL	RESPONSIBLE DEPARTMENT:	PLANNING		
PRESENTED BY:	JIM CALLAWAY EXECUTIVE DIRECTOR	DEPARTMENT HEAD:	SABINE SOMERS-KUENZEL, AICP, DIRECTOR OF PLANNING		
		ADDITIONAL SIGNATURE(S):			
SUBJECT / PROCEEDING:					
EXHIBITS:	VICINITY MAP, CONCEPTUAL SITE PLAN, MAP OF SUGAR LAND/STAFFORD AREA HOTELS, SUMMARY OF PUBLIC HEARING AT COUNCIL 3/4/08, SUMMARY OF COUNCIL DIRECTION ON 3/4/08, LETTER FROM MARRIOTT, AERIAL MAP, SITE PHOTOS				
	CLEARANCES		APPROVAL		
LEGAL:	N/A	EXECUTIVE DIRECTOR:	JIM CALLAWAY COMMUNITY DEVELOPMENT		
Purchasing:	N/A	ASST. CITY MANAGER:	N/A		
BUDGET:	N/A	CITY MANAGER:	ALLEN BOGARD /FOR AB		
BUDGET					
EXPENDITURE REQUIRED: \$ N/A					
	CURRENT BUDGET: \$	N/A			
ADDITIONAL FUNDING: \$ N/A					
RECOMMENDED ACTION					
Receive workshop presentation and provide direction to staff.					

EXECUTIVE SUMMARY

A Conditional Use Permit (CUP) request has been submitted to develop a hotel in the Business Office (B-O) district on Century Square Boulevard (Sugar Creek Center). The applicant intends to construct a Marriott Spring Hill Suites on an approximately 2.86 acre site. The Planning and Zoning Commission recommended denial of the request by a vote of 5 to 2. The applicant has appealed the Commission's decision to City Council.

The City Council held a public hearing on March 3, 2008 regarding the proposed Conditional Use Permit. Five area residents spoke in opposition to the proposal, and a four business owners spoke in favor of the proposal (including one applicant representative and representatives for the owner selling the property). Following the public hearing, Council requested that additional information be provided at a later workshop. At that time, the CUP would be discussed further and Council would have an opportunity to discuss hotel developments in the City as a whole.

The following report provides the additional information requested:

- Summary of Planning & Zoning Commission and City Council meetings and discussions to date
- Facts about the area around the proposed site, including describing existing hotels in Sugar Land and Stafford, and height of existing office developments in the vicinity
- Summary of answers to citizen concerns and Council questions from Council Public Hearing

As is customary practice, when a Conditional Use Permit is considered by City Council, the recommendation made by Planning and Zoning Commission is brought forward, rather than a staff recommendation. The Commission recommended denial of the Conditional use Permit, citing a number of negative impacts which they believed could not be mitigated. Council should consider the following when determining whether or not to grant the Conditional Use Permit:

- Sustaining Quality of Development
 - There are a number of conditions that can be placed on the conditional use permit which will *influence* the quality of the development; however, there is no guarantee whether the quality will be sustained over time.
- Decrease in Business B-O Land Availability
 - The Council should consider whether this hotel has the amenities/facilities to encourage further employment-based office uses in the area. Specific amenities/facilities that are desired may be included as a condition of approval.
- Potential for Future Crime
 - Several of staff's original recommended conditions were aimed at reducing the likelihood for crime at the hotel (rooms accessed from interior hallway only, controlled access to exterior doors, and 24-hour on-site management). Additional conditions including minimum parking lot lighting standards and a requirement for security cameras throughout the premises may also be included. These conditions would significantly reduce the probability that crime would become a problem at this hotel.

File No. 9505

CC: Llarence Turner, Kelly A. Kaluza & Assoc., lturner@kellykaluza.com

STAFF REPORT

History of Process and Staff's Original Recommendation

Recently City Council indicated that hotels should be developed to a certain standard; thus additional development restrictions were added to the hotel use in the Telfair Crossing Commercial Planned Development District. As a result of this and internal indication of concern about the proposed Marriott Spring Hill Suites, staff anticipated that the Commission would raise issues when the CUP was brought forward. Staff researched a number of Texas cities' ordinances related to hotels and provided the information to the Commission.

P&Z Public Hearing and Discussion

At the Planning and Zoning Commission Public Hearing on December 11, 2008, four members of the public voiced concerns about the appropriateness of the site for the proposed hotel development and suggested that if approved, conditions would be needed to ensure quality. Following the Hearing, the Commission held a discussion on the item. The Commission reiterated the citizens' concerns, and expressed additional concerns, including:

- Compatibility with the surrounding area;
- Appropriateness of hotels in B-O zoned areas;
- Potential for conversion to an extended-stay hotel;
- Site plan and layout;
- Security; and,
- Enduring quality of development.

The Commission was concerned about the compatibility of the hotel use with the surrounding area. Staff considered the location of the site, specifically street type, surrounding commercial uses, vicinity to residential, and height of building. Staff believed the apparent negative impacts based on the location of the site might be mitigated through several conditions (landscaping, buffering, etc).

The Planning and Zoning Commission discussed the design of the site with regard to large vehicle parking as well as the incompatibility of on-street parking of such large vehicles in the Business Office District. Staff recommended placing a condition that would prohibit parking large vehicles (trucks with more than 2 axles and recreational vehicles) overnight on-site.

Security at the hotel was another issue examined during the Commission discussion following the public hearing. The orientation of the rooms (accessed by an inside hallway versus and outdoor hallway) was a concern voiced that would affect the security (as well as quality) of the hotel. Staff recommended placing a condition on the permit that the rooms must be accessed by an interior hallway (like the condition placed on the hotel in The Crossing at Telfair PD in 2006). Another condition would be that the exterior doors must have controlled access. In addition, staff recommended that on-site management be required 24 hours a day to augment hotel security.

The Commission also asked about the signage proposed for the site. The hotel would be limited to two monument signs on site that will be a maximum of six feet in height and have an effective area of 60 square feet each. These are required to meet all regulations in Chapter Four of the Development Code.

Many of the issues raised at the Public Hearing revolved around the quality of the hotel. The public and the Commission wanted to ensure that the quality indicated by the developer of the

proposed Marriott Spring Hill Suites would be achieved regardless of the corporate hotel chain. The Commission and public discussed the need for the hotel to be of a quality/durability that would endure through time and maintain standards through any future ownership changes. The Commission also raised questions of the hotel's ability to convert to an extended stay type hotel and the negative impacts it could have on the surrounding area. The concern of enduring quality also included building materials. The proposed elevations would be included as a condition of CUP approval. At the City Council public hearing the adjacent property owner suggested that this condition be strengthened to exclude Ariscraft from the list of permitted materials, and require the use of brick in its place. Staff recommended several conditions (minimum number of rooms, rooms to the inside, no full kitchens in rooms, etc) which we believed would positively affect the quality of the hotel development.

P&Z Recommendation

At the January 24, 2008 Commission meeting, staff recommended approval to the Commission for a CUP to allow a hotel in the B-O District with development-based conditions that would be enforceable through this CUP. These conditions were consistent with findings in of other cities' regulations. Those conditions included:

- Compliance with site layout plan
- Compliance with building elevations
- Compliance with first floor plan (access and layout)
- Rooms accessed from interior hallway only
- Controlled access to exterior doors
- 24-hour on-site management
- Overnight parking of trucks with more than 2 axles and trailers, and RVs and campers prohibited
- Minimum of 110 guest rooms
- Limitation of kitchens in guest rooms: Rooms will not contain cooking oven other than microwave, or gas or electric burners for cooking food
- Minimum landscaping buffering will contain:
 - (a) Hedges of at least four feet in height at time of planting screening the entire parking lot perimeter;
 - (b) Trees of at least four inches in diameter and ten feet in height at time of planting for every 50 feet of parking lot perimeter.

The Commission concluded that these or additional conditions could not adequately mitigate potential negative impacts of this particular request. The Planning and Zoning Commission voted to recommend denial of the Conditional Use Permit by a vote of 5-2 citing concerns for the location, including increased truck traffic and parking, and possible negative impact to surrounding property values.

City Council Public Hearing

The City Council held a public hearing on March 4, 2008 where five residents spoke and reiterated concerns that were raised at the Planning and Zoning Commission meetings, and voiced additional concerns. City Council requested additional information from staff in order to aid in the decision of whether or not to grant the CUP. The additional information follows.

Staff indicated at the City Council Public Hearing that we would be providing (1) additional information regarding the existing hotels in the vicinity of the proposed Marriott Spring Hill Suites and (2) a map showing existing developments surrounding the proposed hotel. Below is a table which summarizes all of the existing and proposed (under review) hotels in the Sugar Land city limits. Also included is a summary of the hotels in Stafford that are located along the US 59 corridor for additional reference. A map is attached indicating the locations of all of the hotels summarized in the tables below.

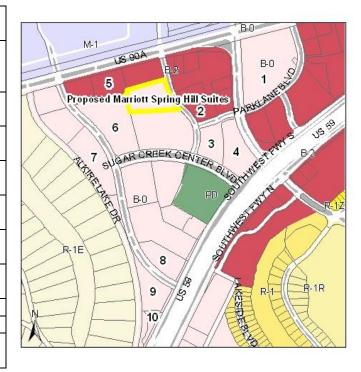
Area Hotels

	Zoning	# of rooms	Height	Occupancy, % (2006/2007)	Room Orientation
Sugar Land Hotels					
Proposed Marriott Spring Hill Suites	В-О	110	4 stories	N/A	Inside
Holiday Inn Express	В-О	112	5 stories	69.7/ 70.9	Inside
Proposed Holiday Inn (in review)	B-2	116	109 ft, 7 stories	N/A	Inside
Drury Inn and Suites	B-2	134	5 stories	72.5/ 74.6	Inside
Extended Stay Deluxe Hotel	B-2	146	3 stories	62.5/ 59.8	Inside
Hilton Garden Inn (under construction)	PD	203	6 stories	N/A	Inside
Marriott at Town Square	PD	300	9 stories	68.6/ 71.5	Inside

Stafford Hotels					
Comfort Suites	N/A	53	3 stories	73.6/ 71.5	Inside
Sleep Inn & Suites	N/A	63	2 stories	55.9/ 68.2	Inside
Days Inn	N/A	69	2 stories	56.5/ 49.1	Inside
Homewood Suites by Hilton	N/A	78	4 stories	/ 68.2	Inside
Residence Inn by Marriott	N/A	78	3 stories	83.6/83.2	Inside
Extended Stayamerica	N/A	80	2 stories	74.6/ 77.8	Outside
Hampton Inn	N/A	86	3 stories	75.6/ 72.1	Inside
Courtyard by Marriott	N/A	112	4 stories	70.0/ 76.9	Inside
La Quinta Inn	N/A	127	4 stories	75.6/ 67.5	Inside
Studio 6	N/A	133	2 stories	73.7/ 75.5	Outside
Sun Suites	N/A	147	3 stories	74.2/ 74.3	Outside

Below is a map which depicts the location and a corresponding table which summarizes the heights of the existing office buildings in the vicinity of the proposed Marriott Spring Hill Suites. The proposed hotel would be four stories in height.

Map	Office Development/	Height
No.	Address	(stories)
1	Granite Properties	
	13131 Dairy Ashford Blvd	8
	13135 Dairy Ashford Blvd	8
2	Shah Companies Building	3
	101 Parklane Blvd	
3	Harry Green Building	6
	3 Sugar Creek Center Blvd	
4	Comerica	11
	1 Sugar Creek Center Blvd	
5	Summit Stainless Steel	2
	9848 US 90A	
6	Transwestern Bldg (fmrly)	6
	77 Sugar Creek Center Blvd	
7	245 Commerce Green Blvd	2
	345 Commerce Green Blvd	2
8	14090 Southwest Fwy	5
9	14100 Southwest Fwy	6
10	Healix Building	4+
	14140 Southwest Fwy	



Citizen and City Council Comments

At the City Council Public Hearing the citizens spoke and raised concerns regarding the potential hotel development. The residents' comments are detailed in a Summary attached to this document. City Council also asked several questions of staff and requested clarification on a number of issues. Many of the comments mentioned by citizens and City Council were centered on similar topics, so staff has grouped them into 6 categories for the purpose of responding to the comments. The following is a summary of these issues and responses to questions raised by the residents and City Council.

1. Quality of Development

A great deal of concern has been expressed with regard to the quality of the proposed hotel, and specifically the effect the quality might have on surrounding property values. Many of the conditions originally recommended by staff were aimed at influencing the quality of the hotel. These conditions would be focused on the initial quality of the development as part of construction. However, the conditions would be limited in their ability to influence the lasting quality of the hotel.

Lasting quality would be impacted greatly by the success of the hotel. The *use* of the property as a hotel would not necessarily negatively impact property values, but rather the *success* of the hotel would have the most impact on surrounding property values. Historically, hotels that are not located on a major road have been less successful than their counterparts. The location of this site may impact the success of the proposed hotel, and this should be part of Council's considerations. In order to grant the Conditional Use

Permit, City Council should feel comfortable that there is a high potential that quality will be maintained over time.

2. End Users of the Hotel Product—Defining a Budget Hotel

Throughout the discussion, the term "budget hotel/motel" was used to describe the proposed hotel. Council requested that staff clarify what distinguishes a budget hotel from a non-budget hotel. Some of the defining characteristics have to do with the services and amenities provided on-site, the room rate (in comparison with the local hotel market), and the type of clientele that are attracted by the specific services and rates available. Hotels may be classified into several different tiers based on these factors. We will present these different tiers and additional details the evening of April 15 and show how the proposed Marriott Spring Hill Suites compares with the tiers. We believe this will lead to a policy determination as to what type of hotel is appropriate in the B-O district.

3. On-street Parking

The Planning & Zoning Commission as well as several members of the public discussed concerns that if the hotel were to develop at this site, trucks would be parking on Century Square Blvd. The question was raised as to whether or not this on-street parking could be prohibited. The City Council has the authority to place no parking signs as deemed necessary.

4. Decrease in Business Office (B-O) Land Availability

Several speakers at both public hearings raised concerns about the fact that permitting this hotel would decrease the availability of Business Office (B-O) land in Sugar Land. Council should consider whether this use is worth a decrease in B-O land availability. Permitting a hotel on 2.8 acres would not significantly damage B-O availability; however, the aggregate of a number of decisions like this one could make a substantial difference in land availability in the district. If the Council finds that the use is not in conflict with the surrounding area, you should also consider whether the use will be beneficial to the area. This decision is potentially precedent-setting for B-O, in particular for B-O in this area. Without supporting amenities incorporated into the development (large meeting spaces, places to eat and shop, etc.), the proposed hotel may not attract desirable office uses to the area. Council may also want to consider whether or not a hotel is the best ultimate use for the property. While it may not be ready for development of a better use at this time, that is not indicative of the market in the future.

5. Potential for Future Crime

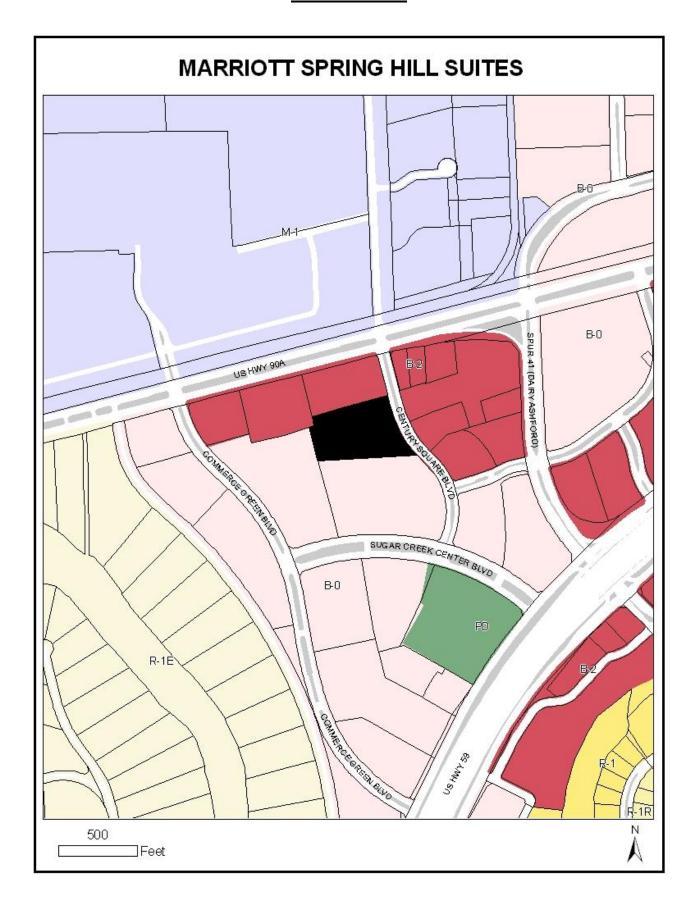
Concerns have been discussed regarding the potential for future crime at this location if it were to be developed as a hotel. Crime at other Fort Bend County hotels was also raised. Staff has discussed this issue with the Sugar Land Police Department as well as the Stafford Police Department. We have identified no trends indicating that hotels in Sugar Land attract more crime than other commercial establishments. Commercial areas, including those where hotels are typically located, are targets for crime because there is more opportunity than in residential areas. A discussion with crime analysts in Stafford and Sugar Land revealed that the most frequent crime that currently occurs at hotels in the tri-city area (also includes Missouri City) is vehicle break-ins. This may be attributable to the fact that many of the hotels are located along US 59, which provides easy access to and from the parking lots of the hotels, and therefore easy escape from law enforcement. More serious crimes (drugs, prostitution, etc.) have been found primarily at one or two problem hotels in other area cities. These hotels are small operations (few number of rooms

and are not part of a national chain) with room doors to exterior hallways, and are not located on a major roadway, which makes them prime locations for such behavior. Similar establishments have experienced similar problems in other communities across the country.

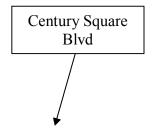
6. Agreement with Marriott

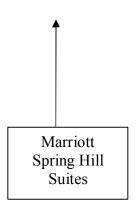
There have been questions as to whether or not there is actually a contract between Marriott and WOC Group, Inc. for the development of the site as a Marriott Spring Hill Suites. Attached is a letter from Marriott indicating that once the project is presented to the Marriott Development Committee, the owner would be extended a 20 year franchise. We have not seen a signed contract at this point. Though there may be a contract between the owner and Marriott, this contract does not guarantee that the hotel will be developed or maintained as a Marriott Spring Hill Suites. Once the City Council grants a Conditional Use Permit for a hotel to be developed at this site, a hotel of any brand may be developed (under the conditions attached to the CUP), since the CUP is attached to the land and not the owner/applicant. The contract is also not tied to the land, and grants no guarantees to the property if the owner were to sever the contract. Therefore, Council should not rely on the existence of a contract with Marriott to determine whether or not to grant the CUP. City Council should determine whether or not they believe the quality will be maintained, whether or not the hotel is built as and continues to be a Marriott Spring Hill Suites.

VICINITY MAP



CONCEPTUAL SITE PLAN, 2007:

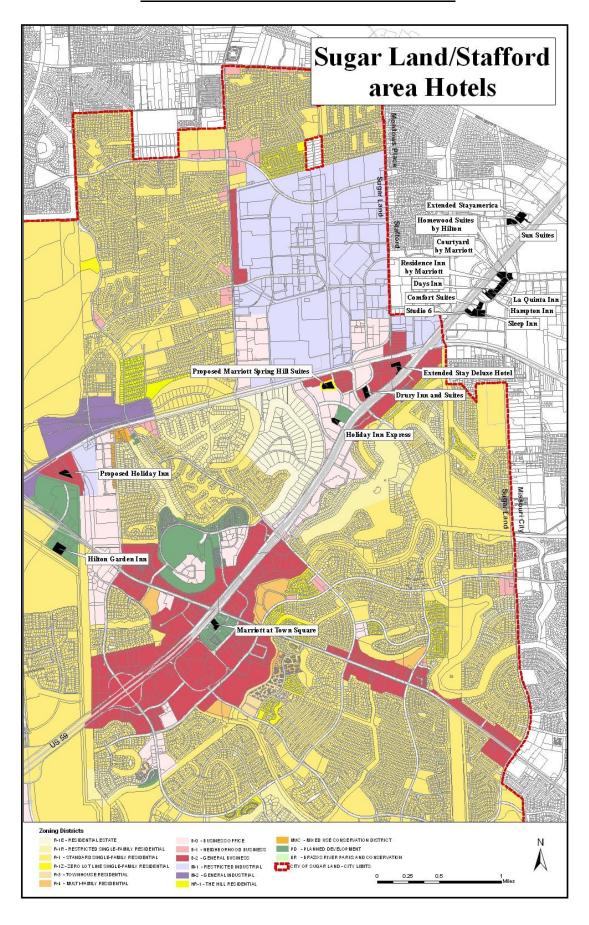




Site Details:

- 2.862 acres
- 110 rooms
- - 1 space/2 employees: 6 employees = 3 spaces

SUGAR LAND/STAFFORD AREA HOTELS



SUMMARY OF PUBLIC HEARING AT 3/4/08 CITY COUNCIL MEETING

Public Hearing and Direction on Planning and Zoning Commission Recommendation of Denial for a Conditional Use Permit in the Business Office District for a Hotel

Kelly Ferguson

Venetian Estates resident

it is important to preserve B-O land

- 1. Limited service motel/hotel will cause negative impact on property values and quality of life for residential area
- 2. Does not bring type of traffic to Sugar Land that the City strives to obtain
- 3. No guarantee will be a Marriott Spring Hill Suites—flagship can change to lower budget hotel at any point in time
- 4. Truck parking on-street and large signs (needed because not directly on highway) will blight City's aesthetic appeal
- 5. Upgrades to US 90A corridor with Sugar Land (business park) development and Imperial redevelopment—addition of low budget motel will taint these upscale improvements
- 6. Office market in Sugar Land is stronger than ever—site will be made much more valuable by improving with its intended use-office

Additional comments:

- Allowing this type of hotel would not be acting in the best of interest of the City—impact on City income and citizens' quality of life
- Property will not remain undeveloped for long—it is well suited for office user
- Office use will maximize property's value
- By upholding P&Z denial of CUP, Council will be making responsible decision for long-term health of the City

Cyril Hosley—"ditto" what Kelly said

- 1. Alkire resident
- 2. Result of Visioning Task Force—community desires high quality development, repeated
- 3. Budget hotel/motel is not high quality
- 4. Little B-O in this area, but plenty of B-2 (Telfair, Imperial, Hwy 59 and 90A)—the City will get these types of developments where you can't do anything about it
- 5. Council has discretion where there is a CUP
- 6. Not in the best interest of the City to give up valuable B-O for a limited service hotel/motel
- 7. (Being on the Grand Jury) Many of the drug cases come from limited service hotels in Fort Bend County—not saying it will happen here, but its something to be considered
- 8. Capture the community sentiment by denying
- 9. Not opposed to commercial use, height, etc. but want to see property used for office which is compatible with Sugar Creek Center

Randy Garb

- 1. Lives ½ mile from location
- 2. Has seen neighborhoods go through transitions, usually starts with something like this [budget motel development]
- 3. Not opposed to hotels/motels
- 4. Works for real estate investment trust, in commercial real estate business
- 5. Hotel is not highest and best use of site, it is business office or related use

- 6. Budget hotel/motel has short life
- 7. With new development at sugar mill [Imperial site] much more opportunity for higher and better use [in the future]
- 8. Ample opportunity for this type of development in other areas, many already in the area

Cindy Newlin

- 1. Sugar Lakes resident
- 2. Holiday Inn Express and Drury Inn are in nearby area, occupancy rates are down
- 3. Hotel does not have to be Marriott Spring Hill Suites, even if that's what they say it will be—could be any hotel/motel chain once a CUP is granted
- 4. This is small tract of land, not conducive to large vehicle (trucks and RVs) parking so they will park on the street, "no parking" on street is not enforceable
- 5. City's land plan [Comprehensive Plan] approved by P&Z and Council sets the City apart from others
- 6. Concerned that the last vacant parcels are held up to highest and best use [like other developed areas]; City must stay strong to the end
- 7. Little B-O land left

Kolbe Curtice

- 1. Real estate professional
- 2. Represents owner/land buyer
- 3. Based on land still available for office development, if SL developed at twice the pace, there are decades of products still available for office uses in SL
- 4. CUP process is in place because conditions change
- 5. No one wants "budget hotel"—SL can impose restrictions to ensure quality project
- 6. Number of other office sites available (airport, Cherokee redevelopment, Telfair, others)
- 7. Mid-priced quality hotel would be good use of land, would not negatively impact the tax value
- 8. Class A office space like Harry Green's building may be more attractive development, but decades of space to be absorbed into market [using Sugar Creek Center, 30 years, as measuring tool]
- 9. Focus on economic development: requires proper balance of business related facilities like restaurants and hotels
- 10. Existing and potential businesses in the vicinity support hotel use, nearby mid-priced hotel would be beneficial for business travelers for local companies
- 11. Occupancy rates have been up since Katrina—often difficult to find hotel space in Marriott Town Square; with new companies (like Minute Maid) coming, hotel space will be more difficult to find
- 12. Hotel rooms are important to SL and its economy, so is range of pricing
- 13. Demand for hotel room in SL should be relevant when considering the conditional use
- 14. Quality of project & issues related to quality should also be relevant—provide assurances that quality will be upheld

Rocky Lite (?)

- 1. Owner of property since 1997
- 2. 20 year contract with Marriott
- 3. Developer is willing for City to place restriction so that future franchise must be "equal or better" to Marriott Spring Hill Suites
- 4. In 10 years has received one bonafide offer to purchase property
- 5. Re: truck parking; Century Square is a public street, and "No Parking" signs could be placed on street

6. Truck drivers usually do not have budget to pay \$100+ /night for a hotel room

Harry Green

- 1. Owner of property along southern boundary of site
- 2. Original proposal included concrete block/airiscraft for construction—asked developer to use 85% brick and 15% stucco instead; developer has agreed—would like for City to place requirement on CUP if granted
- 3. Room in Houston area for other Marriott Spring Hill Suites (4) rack rate is \$159—surprised to find that the minimum standard

Kathy Huebner

- 1. Alkire resident
- 2. Re: businesses considering hotel market—no guarantee those businesses will come and stay in SL; residents have lived here 15-20 years and their greatest investment is in their homes; please protect property values
- 3. Requiring "equal or better than Marriott" for future flagship changes—who decides what is equal or better? Is it enforceable?
- 4. On-street parking—any parking requirement attached to the CUP would be unenforceable; who would enforce it?

Don Russell

- 1. Original developer of Sugar Creek Center
- 2. Property was not zoned when it was developed, zoned 12 years later
- 3. Zoning "materially restricted" ability to use the site
- 4. Not a prime site in terms of location [for office use?], considering surrounding properties
- 5. Cannot see how the hotel development would affect value of property on Alkire Lake Dr
- 6. Believe the City can put restrictions in place to ensure development will be desirable
- 7. Consider hotel to be good use of property

SUMMARY OF CITY COUNCIL DIRECTION AT 3/4/08 CITY COUNCIL MEETING

Public Hearing and Direction on Planning and Zoning Commission Recommendation of Denial for a Conditional Use Permit in the Business Office District for a Hotel

Mayor Wallace

- 1. Review video of meeting and respond to questions/ statements from citizens
 - See previous exhibit, Summary of Public Hearing

Councilman Olson

- 1. Through economic development planning, etc look at hotel/motel issue deeper
 - See Staff Report, Citizen and Council Comments #2 and #4
- 2. Trends in Sugar Land hotel/motel market—types, flagships
 - See Staff Report, Citizen and Council Comments #2
- 3. How fits into vision and economic development
 - See Staff Report, Citizen and Council Comments #2
- 4. CUP provides opportunity to gain cooperation from developer
- 5. Look at possible regulatory controls
 - See Staff Report, Citizen and Council Comments #2

Councilman Schiff

- 1. Can we control quality of hotel? Not just materials- image, reputation, pricing, type of clientele
 - See Staff Report, Citizen and Council Comments #1, #2, & #6
- 2. Do we have tools to ensure hotel is quality we want to see
 - See Staff Report, Citizen and Council Comments #1
- 3. Parking—what can we do/are there things we can do to control parking?
 - See Staff Report, Citizen and Council Comments #3

Councilman Jones

- 1. Distinguish budget vs. non-budget hotel—what's the difference? What does it mean? What characteristics define them?
 - See Staff Report, Citizen and Council Comments #2
- 2. Does an agreement with Marriott exist?
 - See Staff Report, Citizen and Council Comments #6

Councilman Wong

- 1. Explain staff's original recommendation of approval, summarize what P&Z discussed that led them to recommend denial
 - See Staff Report, History of Process and Staff's Original Recommendation

LETTER FROM MARRIOTT



Marriott International, Inc.

1611 Wolf Crest St.

Tye Turman Area VP Development Western Region Phone: 972-244-5561 Fax: 214-276-7796 Tye.turman@marriott.com

December 29, 2007

To Whom It May Concern:

Sanjay Patel, President of Midwest Hospitality Group, is a franchisee in good standing with Marriott International. He has developed multiple properties with Marriott in various markets in the United States.

I was approached by Mr. Patel in mid 2007 regarding a site he had located in Sugar Land, Texas which he believed to be ideal for our SpringHill Suites brand. I actually met with him on August 27 and 28, 2007. We spent this time driving the market and reviewing the aspects of his site. It was during this meeting I indicated to Mr. Patel that I was very supportive of building a SpringHill Suites in this location and that it would be a great compliment to the other brands we have represented in that market.

The SpringHill Suites is a moderately priced hotel brand that caters to the business traveler who also mixes in leisure time with his travel. Our guest suites and service package are ideally appointed to meet the needs of this traveler. I'm certain this hotel will fit ideally in Sugar Land as its price point is below that of our full service hotels and comparable with that of Courtyard and Residence Inn.

Once Mr. Patel's project is presented to our Development Committee and approved he will be extended a 20 year franchise.

Thank you in advance for your support of what I believe to be a wonderful addition to the lodging accommodations offered in the City of Sugar Land. Please feel free to contact me should you have any questions.

Sincerely,

Tye Turman

Area Vice President Development CFRST

Marriott International

AERIAL MAP

MARRIOTT SPRING HILL SUITES



SITE PHOTOS

View looking north:



View looking east:



View looking south:



View looking west:

